

Amendment No. 1 to SB3197

Johnson
Signature of Sponsor

AMEND Senate Bill No. 3197*

House Bill No. 3771

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 1, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section 45-1-1__.

(a) Subject to appropriations in the general appropriations act, a financial literacy and counseling pilot program is established to be administered by the department of financial institutions in collaboration with the department of commerce and insurance to be operated in the five (5) counties with the highest mortgage foreclosure rates as of the effective date of this act. For the fiscal year beginning July 1, 2010, and ending June 30, 2011, a mortgage banker or mortgage broker who issues mortgage loans to consumers within the five (5) counties shall recommend participation in the pilot program to any consumer seeking a mortgage loan with origination fees greater than five percent (5%). The mortgage banker or mortgage broker shall also notify the consumer that the mortgage loan may have attributes that are predatory. A person who offers education, advice, or counseling through the financial literacy and counseling pilot program shall not be held liable for any damages incurred from actions taken based on the education, advice, or counseling obtained under the pilot program.

(b) The department of financial institutions in collaboration with the department of commerce and insurance, shall report its findings and recommendations for statewide implementation of the pilot program to the general assembly by January 15, 2012.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.